



GAIL FARBER, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

November 30, 2011

IN REPLY PLEASE  
REFER TO FILE: B-0

TO: Each Supervisor

FROM: Gail Farber *Gail Farber*  
Director of Public Works

### **REPORT BACK ON THE POSSIBILITY OF ONE-DAY COMMERCIAL SOLAR POWER INSTALLATION PROJECT PERMITS; THE POSSIBILITY OF STREAMLINING THE PERMIT PROCESS; AND THE CONSIDERATION OF A REDUCTION IN PERMIT AND PROCESSING FEES (FEBRUARY 8, 2011, PUBLIC COMMENT)**

On February 8, 2011, your Board directed the Chief Executive Officer to report back on three areas regarding commercial solar power installation projects, including the possibility of allowing one-day permits, similar to those allowed for residential installations; the possibility of streamlining the permit process; and the consideration of a reduction in permit and processing fees. In conjunction with the Chief Executive Office, the following report has been developed to address your Board's directive.

In response to your Board's desire to encourage the use of renewable energy technology such as solar photovoltaic (PV) systems, Public Works continues to pursue efforts to streamline the review and approval process and subsequently reduce existing permitting fees. In 2010-11, the County issued five permits for the installation of commercial rooftop solar PV systems. Although current commercial solar PV permit activity continues to be low, as the economy recovers and building activity increases, staff anticipates an increase in permitting activity

#### **One Day Commercial Solar Power Installation Project Permits**

Our primary objective has been to reduce the time for processing commercial solar PV permits. At this time it is not feasible to issue permits for commercial solar PV systems in one day, typically known as over the counter permits. The complexity and variety of such systems requires multi-agency reviews to verify structural integrity, electrical and fire safety, and provisions for emergency response. This policy is consistent with other jurisdictions throughout the County

## **Streamlining the Permit Process**

We continue to implement methods of streamlining the overall permit process. For example, we have completed cross training of our field staff to concurrently perform building and electrical reviews for commercial solar PV systems under 96 KW. This will reduce customer wait and travel time. We have also partnered with the Los Angeles Basin Chapter of the International Code Council to lead a regional effort throughout the County to develop training and public handouts for all of the 89 local jurisdictions in the County. This is helping to create a uniform and streamlined approval process for solar PV installers throughout the County. In addition, all of the County agencies involved in commercial solar PV review are continuing to collaborate in an effort to develop further efficiencies in the commercial solar PV permit process while maintaining public safety.

## **Permit And Processing Fees**

Progress has also been made in analyzing the current County solar permit fees to determine their ability to appropriately recover the cost of plan review and inspection. The challenge is to apply our existing fee structure while taking into account the economy of scale that large commercial PV installations afford. In addition to making the calculation of fees more affordable for their larger-scale installations, any fees must also, at a minimum, recover our costs, be easily interpreted by customers, and have parity with the other jurisdictions in the County.

A 2011 survey by the Sierra Club identified a wide variation in the permit fees charged by municipalities in the County of Los Angeles (Attachment 1). As reported in the study, the County's fees for commercial rooftop solar PV systems were consistent with the average permit fee of \$11,500 for the 84 jurisdictions surveyed (Attachment 2). Currently, fees are applied based on a combination of the construction valuation of the project and the number of electrical devices installed. Staff reviewed the fees collected and the costs incurred for the review and approval of 16 commercial solar PV systems ranging from 30 to 850 KW.

As a result of our analysis, we are proposing a significant reduction in our solar PV plan review and permit fees. In conformance with Section 107 of Title 26, we have reduced the construction valuation from approximately \$1,230 to \$446 per module to more accurately correspond to the actual costs associated with plan review and inspection of a typical commercial rooftop solar PV installation. This will result in significant cost savings to project applicants and will result in full cost recovery for the County.

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For example, the 2011 Sierra Club survey was based on a 130 KW solar PV system (approximately 650 solar modules) with a construction valuation of \$800,000. Based on these parameters, the total permit and plan review fees for the County under previous applications would be approximately \$11,500. Applying the revised construction valuation to our existing fee schedules will result in a total permit and plan review fee of approximately \$4,400, yielding a reduction of 62 percent. When compared to the Sierra Club survey, the County fees would be less than 56 of the neighboring 84 jurisdictions and 62 percent below the average of all other jurisdictions within the County of Los Angeles.

We will be applying the reduced construction valuation to all future commercial solar PV permit applications. We will also immediately work with the Sierra Club to notify the commercial solar PV industry of our findings and respective fee reduction. As PV technology is constantly changing, we will continue to monitor the fees to verify cost recovery and determine whether ongoing improvements in solar PV technology warrant additional fee adjustments.

If you have any questions or require additional information, please call me or your staff may contact Raj Patel at (626) 458-6385 or [rkpatel@dpw.lacounty.gov](mailto:rkpatel@dpw.lacounty.gov).

RP:ll

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Attach.

cc: Chief Executive Office  
County Counsel  
Executive Office

## Executive Summary of Commercial & Residential PV Permit Fee Report, Los Angeles County by Sierra Club, Angeles and Loma Prieta Chapters, 4/27/2011, updated 5/24/2011

A 2010 - 2011 survey by the Sierra Club revealed wide variations in permit fees charged for commercial and residential rooftop photovoltaic (PV) energy systems by municipalities in Los Angeles County. The survey found that fees for commercial PV projects of 131 kW in size varied from nothing to over \$46,000. High fees can discourage businesses and residences from making good, long-term, high-yield investments in solar power. Fifty-seven municipalities (64% of those that responded to this survey) are charging fees that exceed the maximum cost-recovery levels identified in this report for commercial PV projects. Fifteen cities are charging more than \$20,000 for a commercial PV permit (8 times higher than an estimated maximum fee that enables full cost recovery). Commercial PV permit fees for some LA County cities are extremely high. For 3kW residential PV permits half of the municipalities in LA County are charging fees that are excessive!

The time needed for city staff to review and inspect a commercial PV project does not vary linearly by system size. For instance, interviews conducted in the preparation of this report revealed that the difference in time needed to process a 100 kW PV project is about two to three times longer than a 10 kW project (not ten times longer). Basing fees on the value of the solar equipment inflates permit costs to unreasonably high levels, especially for larger, more expensive solar power projects. To recover costs, therefore, permit fees should be based on specific review times and billable hourly rates and not on PV project valuations.

The authors of this study have developed a free, public fee calculator spreadsheet for PV systems mounted on commercial rooftops to help municipalities determine cost recovery.

[www.SolarPermitFees.org/PVFeeCalcCommercial.xls](http://www.SolarPermitFees.org/PVFeeCalcCommercial.xls)

This report recommends best practices that municipalities can adopt to assure greater consistency, and help our society develop an energy source that leads to a healthier, safer, and more stable community. These include setting permit fees at cost-recovery levels, and instituting streamlined permit processing procedures. Please see the detailed survey responses for each jurisdiction at:

[www.SolarPermitFees.org/PVFeesLACounty2011.html](http://www.SolarPermitFees.org/PVFeesLACounty2011.html).

View a Report of Solar Electric Permit Fees for Commercial & Residential Installations in Los Angeles County: [www.SolarPermitFees.org/PVFeeStudyLosAngeles.pdf](http://www.SolarPermitFees.org/PVFeeStudyLosAngeles.pdf)

Web site for Los Angeles County PV permit fee report (Apr. 2011)

[www.solarpermitfees.org/losangeles.html](http://www.solarpermitfees.org/losangeles.html)

This executive summary: [www.SolarPermitFees.org/PVFeeLosAngelesExecSum.pdf](http://www.SolarPermitFees.org/PVFeeLosAngelesExecSum.pdf)

Key recommendations: [www.SolarPermitFees.org/PVPermitFeeRecommend2010.pdf](http://www.SolarPermitFees.org/PVPermitFeeRecommend2010.pdf)

Summary of California Laws Governing PV Solar Permits and Fees:

[www.SolarPermitFees.org/SolarPermitLawsSumCA.pdf](http://www.SolarPermitFees.org/SolarPermitLawsSumCA.pdf)

Sierra Club, Loma Prieta Chapter Solar PV Permit Fee Campaign: [www.SolarPermitFees.org](http://www.SolarPermitFees.org)

PV Solar Permit Fees 3 kW **Residential** Systems, Los Angeles County as of 5/24/2011

Ranked by Fee Municipality	3 kW Fee	Alphabetical Rank Municipality	3 kW Fee	Changes since 2009
Bell #	\$1,505	Agoura Hills #	\$383	Reduced from \$1,058
Lawndale ^	\$1,471	Alhambra ^	\$359	Increased from \$213
Irwindale	\$1,156	Arcadia	\$291	Increased from \$283
San Marino	\$1,088	Artesia #	\$687	Reduced from \$1,030
Paramount	\$1,081	Avalon	\$792	
Norwalk ^	\$1,070	Azusa #	\$395	Reduced from \$1,197
Hawaiian Gardens #	\$1,060	Baldwin Park #	\$570	Increased from \$432
La Verne ^	\$1,057	Bell #	\$1,505	Increased from \$1,166
La Mirada	\$994	Bell Gardens	\$431	Reduced from \$450
La Puente ^	\$986	Bellflower #	\$350	Reduced from \$925
Whittier #	\$956	Beverly Hills #	\$327	Reduced from \$350
Vernon ^	\$943	Bradbury	\$306	
Inglewood #	\$936	Burbank	\$0	
Huntington Park #	\$866	Calabasas	\$668	Increased from \$658
Rosemead ^	\$859	Carson #	\$340	Reduced from \$1,473
South El Monte ^	\$840	Cerritos #	\$53	Reduced from \$1,078
Covina ^	\$820	Claremont	\$435	
South Gate	\$816	Commerce	\$598	Reduced from \$675
Glendale ^	\$807	Compton ^	\$790	Reduced from \$900
Maywood	\$798	Covina ^	\$820	Increased from \$645
Avalon	\$792	Cudahy	\$717	
Compton ^	\$790	Culver City	\$0	
El Segundo ^	\$761	Diamond Bar ^	\$747	Increased from \$704
Glendora #	\$759	Downey #	\$200	Reduced from \$1,164
Diamond Bar ^	\$747	Duarte #	\$386	Reduced from \$965
Cudahy	\$717	El Monte #	\$180	Reduced from \$1,014
La Habra Heights #	\$709	El Segundo ^	\$761	Increased from \$515
Pico Rivera #	\$695	Gardena	\$677	Reduced from \$692
Westlake Village #	\$693	Glendale ^	\$807	Increased from \$0
Artesia #	\$687	Glendora #	\$759	Reduced from \$805
Gardena	\$677	Hawaiian Gardens #	\$1,060	Reduced from \$1,427
Calabasas	\$668	Hawthorne #	\$479	Reduced from \$943
Temple City	\$625	Hermosa Beach #	\$0	Reduced from \$650
Montebello #	\$601	Hidden Hills	\$225	
Commerce	\$598	Huntington Park #	\$866	Reduced from \$1,100
Baldwin Park #	\$570	Industry #	\$377	Reduced from \$967
Walnut #	\$564	Inglewood #	\$936	Reduced from \$1,066
Lakewood #	\$533	Irwindale	\$1,156	
Monrovia	\$533	La Canada Flintridge #	\$227	Reduced from \$356
Lynwood ^	\$525	La Habra Heights #	\$709	Reduced from \$1,572
Sierra Madre	\$515	La Mirada	\$994	Reduced from \$1,008
Rolling Hills Estates #	\$493	La Puente ^	\$986	Increased from \$131
Hawthorne #	\$479	La Verne ^	\$1,057	Increased from \$331
Monterey Park ^	\$452	Lakewood #	\$533	Reduced from \$800
Claremont	\$435	Lancaster	\$61	Increased from \$58

Bell Gardens	\$431	Lawndale ^	\$1,471	Increased from \$1,214
Rolling Hills #	\$430	Lomita #	\$370	Reduced from \$1,183
San Gabriel #	\$428	Long Beach #	\$233	Reduced from \$599
Signal Hill	\$419	Los Angeles #	\$248	Reduced from \$308
Palmdale ^	\$418	Los Angeles County #	\$370	Reduced from \$1,144
Malibu #	\$412	Lynwood ^	\$525	Increased from \$350
Santa Fe Springs #	\$404	Malibu #	\$412	Reduced from \$761
Azusa #	\$395	Manhattan Beach	\$0	
Santa Clarita ^	\$387	Maywood	\$798	
Duarte #	\$386	Monrovia	\$533	Increased from \$520
Agoura Hills #	\$383	Montebello #	\$601	Reduced from \$852
Industry #	\$377	Monterey Park ^	\$452	Increased from \$395
Lomita #	\$370	Norwalk ^	\$1,070	Increased from \$945
Los Angeles County #	\$370	Palmdale ^	\$418	Increased from \$330
San Dimas #	\$370	Palos Verdes Estates	\$89	Increased from \$85
Alhambra ^	\$359	Paramount	\$1,081	Reduced from \$1,082
Bellflower #	\$350	Pasadena #	\$32	Reduced from \$198
San Fernando #	\$345	Pico Rivera #	\$695	Reduced from \$785
Carson #	\$340	Pomona #	\$248	Reduced from \$510
Beverly Hills #	\$327	Rancho Palos Verdes ^	\$177	Reduced from \$402
Bradbury	\$306	Redondo Beach ^	\$265	Increased from \$202
Arcadia	\$291	Rolling Hills #	\$430	Reduced from \$1,472
Redondo Beach ^	\$265	Rolling Hills Estates #	\$493	Reduced from \$1,168
Los Angeles #	\$248	Rosemead ^	\$859	Increased from \$122
Pomona #	\$248	San Dimas #	\$370	Reduced from \$1,000
Long Beach #	\$233	San Fernando #	\$345	Reduced from \$582
South Pasadena ^	\$229	San Gabriel #	\$428	Reduced from \$1,479
La Canada Flintridge #	\$227	San Marino	\$1,088	Increased from \$891
Hidden Hills	\$225	Santa Clarita ^	\$387	Increased from \$300
Downey #	\$200	Santa Fe Springs #	\$404	Reduced from \$895
El Monte #	\$180	Santa Monica	\$0	
Rancho Palos Verdes ^	\$177	Sierra Madre	\$515	
Palos Verdes Estates	\$89	Signal Hill	\$419	
Torrance #	\$67	South El Monte ^	\$840	Increased from \$814
Lancaster	\$61	South Gate	\$816	Reduced from \$822
Cerritos #	\$53	South Pasadena ^	\$229	Revised from \$88
Pasadena #	\$32	Temple City	\$625	
West Covina #	\$2	Torrance #	\$67	Reduced from \$1,009
Burbank	\$0	Vernon ^	\$943	Increased from \$687
Culver City	\$0	Walnut #	\$564	Reduced from \$735
Hermosa Beach #	\$0	West Covina #	\$2	Reduced from \$815
Manhattan Beach	\$0	West Hollywood #	\$0	Reduced from \$1,077
Santa Monica	\$0	Westlake Village #	\$693	Reduced from \$1,389
West Hollywood #	\$0	Whittier #	\$956	Reduced from \$1,328
Average	\$523	Average #	\$523	Reduced from \$712

\* Fee under review

# Fee reduced

^ Fee increased

PV Permit 131 kW **Commercial** Systems, Los Angeles County as of 5/24/2011

Ranked by Fee Municipality	131 kW Fee	Alphabetical Rank Municipality	131 kW Fee	Notes
Rolling Hills Estates	\$46,616	Agoura Hills	\$603	Revised from \$1,179
Inglewood	\$37,692	Alhambra ^	\$1,400	Revised from \$116
Sierra Madre	\$37,349	Arcadia	\$291	
Paramount	\$36,068	Artesia	\$17,576	
La Verne	\$33,015	Avalon	\$6,908	
Irwindale #	\$32,319	Azusa	\$7,800	
Commerce	\$28,577	Baldwin Park	\$2,200	
Bell	\$26,925	Bell	\$26,925	
West Hollywood	\$26,209	Bell Gardens	\$1,561	
La Puente	\$25,831	Bellflower		No response yet
Carson	\$23,604	Beverly Hills	\$602	Revised from \$4,310
Lawndale	\$23,106	Bradbury		N/A no commercial
Pico Rivera	\$22,430	Burbank	\$0	
Glendale	\$21,434	Calabasas	\$10,126	
Whittier	\$20,104	Carson	\$23,604	
Rosemead	\$19,433	Cerritos	\$15,866	
Santa Fe Springs	\$19,047	Claremont	\$7,432	
La Mirada	\$18,771	Commerce	\$28,577	Revised from \$29,577
Hawaiian Gardens	\$17,861	Compton	\$12,226	
Downey	\$17,675	Covina	\$16,100	
El Segundo	\$17,617	Cudahy	\$12,664	
Artesia	\$17,576	Culver City	\$17,000	
Culver City	\$17,000	Diamond Bar	\$10,995	
Industry	\$16,529	Downey	\$17,675	
Covina	\$16,100	Duarte	\$5,107	
Cerritos	\$15,866	El Monte #	\$498	Reduced from \$27,500
Monrovia	\$15,142	El Segundo	\$17,617	
Huntington Park	\$15,107	Gardena	\$6,735	
San Dimas	\$15,000	Glendale	\$21,434	
La Canada Flintridge	\$14,322	Glendora	\$10,132	
San Marino	\$13,081	Hawaiian Gardens	\$17,861	
Cudahy	\$12,664	Hawthorne #	\$4,902	Reduced from \$18,000
Montebello	\$12,633	Hermosa Beach	\$0	
Compton	\$12,226	Hidden Hills		N/A no commercial
South El Monte	\$12,186	Huntington Park	\$15,107	
South Gate	\$11,994	Industry	\$16,529	
Los Angeles County	\$11,615	Inglewood	\$37,692	
Norwalk	\$11,368	Irwindale #	\$32,319	Reduced from \$35,411
Diamond Bar	\$10,995	La Canada Flintridge	\$14,322	
Westlake Village	\$10,653	La Habra Heights	\$9,133	
Glendora	\$10,132	La Mirada	\$18,771	
Calabasas	\$10,126	La Puente	\$25,831	
Santa Clarita	\$9,306	La Verne	\$33,015	
Lynwood	\$9,254	Lakewood	\$1,164	Revised from \$3,300
La Habra Heights	\$9,133	Lancaster	\$670	

Vernon	\$8,752	Lawndale	\$23,106	
Los Angeles	\$8,120	Lomita	\$370	
Azusa	\$7,800	Long Beach	\$2,000	
Claremont	\$7,432	Los Angeles	\$8,120	
Torrance ^	\$7,090	Los Angeles County	\$11,615	Revised from \$15,836
Avalon	\$6,908	Lynwood	\$9,254	
Signal Hill	\$6,889	Malibu	\$712	
Gardena	\$6,735	Manhattan Beach	\$0	
Duarte	\$5,107	Maywood	\$798	
Walnut #	\$5,007	Monrovia	\$15,142	
Hawthorne #	\$4,902	Montebello	\$12,633	Revised from \$35,416
Palmdale	\$4,055	Monterey Park		No response yet.
Baldwin Park	\$2,200	Norwalk	\$11,368	
Long Beach	\$2,000	Palmdale	\$4,055	
Bell Gardens	\$1,561	Palos Verdes Estates	\$89	
West Covina	\$1,400	Paramount	\$36,068	
Alhambra ^	\$1,400	Pasadena	\$231	
Temple City	\$1,278	Pico Rivera	\$22,430	
Lakewood	\$1,164	Pomona	\$248	
Maywood	\$798	Rancho Palos Verdes	\$641	
Malibu	\$712	Redondo Beach	\$442	
Lancaster	\$670	Rolling Hills		N/A no commercial
San Gabriel	\$662	Rolling Hills Estates	\$46,616	
Rancho Palos Verdes	\$641	Rosemead	\$19,433	
Agoura Hills	\$603	San Dimas	\$15,000	
Beverly Hills	\$602	San Fernando	\$345	
South Pasadena #	\$547	San Gabriel	\$662	
El Monte #	\$498	San Marino	\$13,081	
Redondo Beach	\$442	Santa Clarita	\$9,306	
Lomita	\$370	Santa Fe Springs	\$19,047	
San Fernando	\$345	Santa Monica	\$0	
Arcadia	\$291	Sierra Madre	\$37,349	
Pomona	\$248	Signal Hill	\$6,889	
Pasadena	\$231	South El Monte	\$12,186	
Palos Verdes Estates	\$89	South Gate	\$11,994	
Burbank	\$0	South Pasadena #	\$547	Revised from \$675
Hermosa Beach	\$0	Temple City	\$1,278	
Manhattan Beach	\$0	Torrance ^	\$7,090	Revised from \$2,121
Santa Monica	\$0	Vernon	\$8,752	
Bellflower		Walnut #	\$5,007	Revised from \$28,232
Bradbury		West Covina	\$1,400	
Hidden Hills		West Hollywood	\$26,209	
Monterey Park		Westlake Village	\$10,653	
Rolling Hills		Whittier	\$20,104	
Average	\$11,420	Average	\$11,420	

\* Fee under review

# Fee reduced

^ Fee increased

## PV Solar Permit Fees for 131 kW Commercial Rooftop Systems Los Angeles County, as of 5/24/2011

